

CHAPTER 121

TAXATION

SENATE BILL 00-103

BY SENATORS Feeley, Dyer, Hernandez, Linkhart, Martinez, Matsunaka, Nichol, Pascoe, Reeves, Rupert, Sullivant, Teck, Thiebaut, and Weddig;
also REPRESENTATIVES George, Alexander, Allen, Bacon, Berry, Coleman, Grossman, Hagedorn, Hoppe, Johnson, Kaufman, Keller, Larson, Lawrence, Mace, Miller, Morrison, Plant, Saliman, Spence, Stengel, Swenson, Takis, Tapia, Tool, Tupa, Veiga, Vigil, Webster, S. Williams, T. Williams, and Windels.

AN ACT

CONCERNING THE ESTABLISHMENT OF THE COLORADO COMMISSION ON TAXATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Title 39, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW ARTICLE to read:

ARTICLE 34
Colorado Commission on Taxation

39-34-101. Legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) THE STATE OF COLORADO AND ITS CITIZENS HAVE EXPERIENCED MANY CHANGES SINCE THE LAST COMPREHENSIVE REVIEW AND ANALYSIS OF STATE AND LOCAL TAX STRUCTURE AND POLICY WAS COMPLETED NEARLY FORTY YEARS AGO;

(b) SINCE THEN, THE TAX STRUCTURE OF THE STATE AND LOCAL GOVERNMENTS IN COLORADO HAS BECOME MORE COMPLICATED AND OUTDATED THROUGH A LONG HISTORY OF INCREMENTAL AND PIECEMEAL MODIFICATIONS MADE BY STATUTORY AND CONSTITUTIONAL ENACTMENTS THAT HAVE RESULTED IN UNINTENDED CONSEQUENCES;

(c) THESE MODIFICATIONS MAY HAVE RESULTED IN THE TAX BURDEN FOR FINANCING GOVERNMENT SERVICES AND PROGRAMS BEING BORNE DISPROPORTIONATELY BY CERTAIN TAXPAYERS AND MAY HAVE DIMINISHED

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

COLORADO'S ABILITY TO ATTRACT NEW BUSINESSES AND RETAIN EXISTING BUSINESSES THAT ARE VITAL TO THE ECONOMIC WELL-BEING OF THE STATE AND ITS CITIZENS; AND

(d) IT IS NECESSARY TO REVIEW THE CURRENT TAX SYSTEM FOR THE STATE AND LOCAL GOVERNMENTS IN COLORADO AND TO EVALUATE WHETHER SAID TAX SYSTEM IS BASED UPON THE PRINCIPLES AND VALUES OF THE PEOPLE OF THE STATE OF COLORADO.

(2) THEREFORE, THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT IT IS NECESSARY TO CREATE A COMMISSION ON TAXATION TO REVIEW THE CURRENT SYSTEM OF TAXATION BY THE STATE AND LOCAL GOVERNMENTS IN COLORADO AND TO MAKE RECOMMENDATIONS FOR MODIFICATIONS THAT ARE DETERMINED TO BE NECESSARY FOR SAID TAX SYSTEM.

39-34-102. Colorado commission on taxation - creation. (1) THERE IS HEREBY CREATED THE COLORADO COMMISSION ON TAXATION, WHICH SHALL CONSIST OF FIFTEEN MEMBERS AS FOLLOWS:

(a) SEVEN MEMBERS APPOINTED BY THE GOVERNOR;

(b) THREE MEMBERS APPOINTED BY THE PRESIDENT OF THE SENATE;

(c) ONE MEMBER APPOINTED BY THE MINORITY LEADER OF THE SENATE; AND

(d) FOUR MEMBERS APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

(2) INITIAL MEMBERS OF THE COLORADO COMMISSION ON TAXATION SHALL BE APPOINTED NO LATER THAN AUGUST 15, 2000.

(3) MEMBERS OF THE COLORADO COMMISSION ON TAXATION SHALL SERVE AT THE PLEASURE OF THE APPOINTING AUTHORITY. MEMBERS SHALL SERVE WITHOUT COMPENSATION.

39-34-103. Duties of the Colorado commission on taxation. (1) THE COLORADO COMMISSION ON TAXATION SHALL HAVE THE FOLLOWING DUTIES:

(a) TO REVIEW THE CURRENT SYSTEM OF TAXATION BY THE STATE AND LOCAL GOVERNMENTS IN COLORADO TO DETERMINE WHETHER IT EMBODIES THE PRINCIPLES AND VALUES OF THE PEOPLE OF THE STATE OF COLORADO;

(b) TO COMMUNICATE WITH AND OBTAIN INPUT FROM PEOPLE AND GROUPS AFFECTED BY THE CURRENT SYSTEM OF STATE AND LOCAL TAXATION; AND

(c) BASED UPON SUCH REVIEW, TO DEVELOP AND PROPOSE FOR CONSIDERATION ANY MODIFICATIONS TO THE CURRENT SYSTEM OF STATE AND LOCAL TAXATION THAT MAY BE FOUND TO BE NECESSARY TO PROMOTE SUCH PRINCIPLES AND VALUES.

(2) THE COLORADO COMMISSION ON TAXATION SHALL:

(a) CONDUCT ITS INITIAL MEETING NO LATER THAN SEPTEMBER 1, 2000;

(b) SUBMIT A STATUS REPORT TO THE GOVERNOR AND THE GENERAL ASSEMBLY NO LATER THAN APRIL 15, 2001. THE STATUS REPORT:

(I) SHALL SUMMARIZE THE COMMISSION'S ACTIVITIES TO DATE;

(II) SHALL INCLUDE THE COMMISSION'S DETERMINATION AS TO THE PRINCIPLES AND VALUES THAT THE PEOPLE OF COLORADO FEEL SHOULD BE EMBODIED IN ITS STATE AND LOCAL SYSTEM OF TAXATION; AND

(III) MAY INCLUDE SUCH OTHER INFORMATION THAT THE COMMISSION DEEMS RELEVANT AND NECESSARY;

(c) SUBMIT A FINAL REPORT TO THE GOVERNOR AND THE GENERAL ASSEMBLY NO LATER THAN DECEMBER 1, 2001. THE FINAL REPORT:

(I) SHALL SUMMARIZE THE COMMISSION'S ACTIVITIES TO DATE;

(II) SHALL SET FORTH GOALS THAT THE COMMISSION BELIEVES ARE NECESSARY IN ORDER FOR A SYSTEM OF TAXATION TO EMBODY THE PRINCIPLES AND VALUES OF THE PEOPLE OF COLORADO;

(III) SHALL INCLUDE ANY STRATEGIES FORMULATED BY THE COMMISSION THAT CONSIST OF RECOMMENDED METHODS OF STATE AND LOCAL TAXATION, SPECIFIC STRUCTURAL CHANGES, AND ANY OTHER MODIFICATIONS THAT THE COMMISSION BELIEVES WILL CREATE A SYSTEM OF TAXATION THAT MORE EFFECTIVELY EMBODIES THE PRINCIPLES AND VALUES OF THE PEOPLE OF COLORADO; AND

(IV) MAY INCLUDE SUCH OTHER INFORMATION THAT THE COMMISSION DEEMS RELEVANT AND NECESSARY.

(3) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO PRECLUDE THE ENACTMENT OF LEGISLATION THAT ELIMINATES OR REDUCES ANY STATE OR LOCAL GOVERNMENT TAX DURING THE PERIOD THE COLORADO COMMISSION ON TAXATION IS PERFORMING ITS DUTIES.

(4) IF THE FINAL REPORT INCLUDES A RECOMMENDATION THAT LEGISLATION BE ADOPTED, A MAJORITY VOTE OF THE ENTIRE COMMISSION RATHER THAN JUST A MAJORITY VOTE OF THE LEGISLATIVE MEMBERS SHALL BE REQUIRED TO APPROVE THE RECOMMENDATION.

39-34-104. Private source of funding - staff support for tax policy study.

(1) THE COLORADO COMMISSION ON TAXATION IS AUTHORIZED TO RECEIVE CONTRIBUTIONS, GRANTS, SERVICES, AND IN-KIND DONATIONS FROM ANY PRIVATE ENTITY TO BE EXPENDED FOR ANY DIRECT OR INDIRECT COSTS ASSOCIATED WITH THE DUTIES OF THE COMMISSION SET FORTH IN THIS ARTICLE.

(2) THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL, THE DIRECTOR OF THE OFFICE OF LEGISLATIVE LEGAL SERVICES, AND THE EXECUTIVE DIRECTORS OF THE DEPARTMENT OF REVENUE, THE DEPARTMENT OF LOCAL AFFAIRS, THE DEPARTMENT OF EDUCATION, AND THE DIRECTOR OF THE OFFICE OF STATE PLANNING AND BUDGETING SHALL SUPPLY STAFF ASSISTANCE TO THE COLORADO COMMISSION ON

TAXATION AS THEY DEEM APPROPRIATE. THE COMMISSION MAY ALSO ACCEPT STAFF SUPPORT FROM THE PRIVATE SECTOR.

(3) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO PRECLUDE THE EXPENDITURE OF STATE MONEYS FOR ANY DIRECT OR INDIRECT COSTS ASSOCIATED WITH THE DUTIES OF THE COLORADO COMMISSION ON TAXATION.

39-34-105. Repeal of article. THIS ARTICLE IS REPEALED, EFFECTIVE JANUARY 1, 2002.

SECTION 2. Effective date. This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Approved: April 14, 2000